

BAL HARBOUR VILLAGE POLICE OFFICERS' PENSION PLAN AND TRUST

Bal Harbour Village Hall, 2nd Floor Conference Room
655 – 96th Street, Bal Harbour, FL 33154
REGULAR QUARTERLY MEETING – OCTOBER 24TH, 2017

1. Call to Order – Chairman Paul Eppler called the meeting of the Bal Harbour Village Police Officers' Pension Plan to order at 3:06 P.M.

Roll Call

Present

Paul Eppler, Chairman
Dr. Abraham Gotman, Secretary
Hector Gonzalez

Absent

David Levin
Daniel Gold

OTHERS PRESENT: Gregg Gosch from Sawgrass Asset Management, John McCann from The Bogdahn Group, Bonni Jensen, Esq., from Klausner, Kaufman, Jensen & Levinson, in conjunction with Stephen H. Cypen, Esq., Attorney for the Plan, who was also present, and Joan L. Wall, Clerk to the Board of Trustees.

2. Additions/Deletions to Agenda. The invoice from Fiduciary Trust International was received after the agenda was posted. The invoice total was \$2,850.86, bringing the total for Warrant #095 to \$49,214.69.

3. Approval of Minutes for Meeting of July 25th, 2016. Chairman Eppler presented the minutes from the previous meeting for approval. Hector Gonzalez moved to approve. Dr. Gotman seconded the motion. The motion carried unanimously.

4. Approval of Warrant #095. Chairman Eppler presented the invoices listed on the agenda including the recently received invoice from Fiduciary Trust for approval and payment. Hector Gonzalez moved to approve. Dr. Gotman seconded the motion. The motion carried unanimously, authorizing payment of the following:

Cypen & Cypen, August, Sept & October, 2016 Retainers @ \$2,000	\$ 6,000.00
Joan L. Wall, 7/18 – 10/17/16, 43 ¼ hrs @ \$46.79, plus expenses \$136.21	\$ 2,159.88
Sawgrass Asset Management; Investment Fee for Qtr Ending 9/30/16	\$24,210.23
Fiduciary Trust International, Custody Service for Qtr Ending 9/30/16	\$ 2,850.86
The Bogdahn Group, Performance Report for Qtr Ending 9/30/16	\$ 4,386.72
Foster & Foster, Invoice #9487, dated 10/7/2016 for FYE 9/30/16	\$ 5,002.00

FPPTA, Dues for 2017	\$ 600.00
Florida Municipal Insurance Trust, Fiduciary Liability Ins Renewal (no change)	\$ <u>4,005.00</u>
TOTAL For Warrant #095	\$<u>49,214.69</u>

UNFINISHED BUSINESS

5. a) Review of Experience Study – Continued from 7/25/16. The matter was continued again by board consensus until a full board was present. Mr. Donlan was called and advised of the continuance. Attorney Jensen cautioned the trustees that the matter should be addressed as any adopted changes to the assumptions would affect the preparation of the October 1, 2016 Actuarial Valuation.

5. b) Holland & Knight – Request for increased hourly billing rate from \$250 to \$325. Continued from 7/25/16 pending a report from Paul Daragjati, Esq. A recent email from Attorney Friedman addressed to Attorney Daragjati stated that the determination letter filed in January, 2016 was still pending, with a hopeful approval without negotiation. Additionally, the firm monitors tax law developments. If there was a project that involved considerable time, the firm would seek client approval before starting the process. Hector Gonzalez moved to approve the rate increase to be effective November 1st, 2016. Dr. Gotman seconded the motion. The motion carried unanimously.

5. c) Status of Ordinance Amending Plan to comply with Favorable IRS Determination Letter. Last week a signed copy had been requested from the Village Clerk and was not received. Attorney Jensen checked the Village website and was unable to locate the ordinance. The matter was time sensitive and the clerk was requested to follow up on the matter.

NEW BUSINESS

6. a) Marcum – Audit for FYE 9/30/16 – Review/Approve Engagement Letter. The term was for one year for a fee of \$14,500. In prior years the fees to the pension plan had been less as the Village picked up part of the cost along with the cost of their CAFR. The Village had sent out RFP's to auditing firms for the audit of the current fiscal year last week. In order to receive the audit and file the Annual Report with the Division of Retirement timely, the board had decided at the previous meeting to hire Marcum if the Village had not hired an auditor at this time. After review, Hector Gonzalez moved to approve. Dr. Gotman seconded the motion. The motion carried unanimously.

6. b) Gregory Gosch, Sawgrass Asset Management. Mr. Gosch distributed his report, stating this was the worse quarter experienced by the firm's strategy in the past six years. The tone of the market shifted dramatically this quarter to a more risk-on,

narrow environment. Absent the risk of rising interest rates, investors returned to a risk-seeking mode. Despite this quarter's performance, we are comfortable with our portfolio positioning. The reports of the economic demise are exaggerated. The US is still growing. By its broadest measure, Gross Domestic Product, the US economy has tallied six and a half years of uninterrupted growth.

6. c) John McCann, The Bogdahn Group – Performance Report for the quarter ended September 30th, 2016. Asset allocation was 59.9% Domestic Equity, 37.5% Domestic Fixed Income and 2.6% Cash Equivalents for a total market value of \$19,373,210, up \$214,471 from last quarter. The net return for the quarter was 0.59%, 7.86% for one year, 7.25% for three years and 10.38% for five years as compared with the fund policy returns of 2.37%, 10.72%, 7.90% and 10.77% for the same time periods. The fund had underperformed in all time periods. Mr. McCann reported that Joe Bogdahn had sold all of his interest in the firm and there would be a name change in the near future.

6. d) Review/Accept – Net DROP Return of .59% for the quarter ended September 30th, 2016. Based on the report by the fund's professionals, Hector Gonzalez moved to accept the return. Dr. Gotman seconded the motion. The motion carried unanimously.

6. e) Meeting Dates for 2017

- Monday, January 23rd, 2017
- Monday, April 24th, 2017
- Monday, July 24th, 2017
- Monday, October 23rd, 2017

6. f) Schools/Conferences

- **FPPTA**, Winter Trustees School, January 29th – February 2nd, 2017, Rosen Center, Orlando
- **NAPO**, 29th Annual Pension & Benefits Seminar – February 26th – 28th, 2017, Hyatt Grand Cypress Resort, Orlando
- **Division of Retirement**, 46th Annual Police Officers' and Firefighters' Pension Conference, November 2nd – 4th, 2016, Radisson Resort, Orlando Celebration

7. Input from Active/Retired Members – None.

8. Trustees' Concerns – None.

9. Public Comments - None.

10. REPORTS

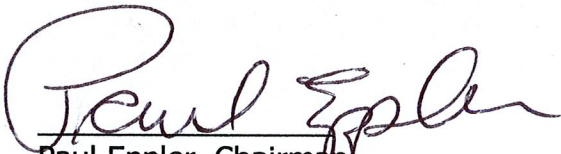
- **Attorney** – September 15th, 2016 letter from Stephen H. Cypen, Esq. and Robert D. Klausner, Esq. announcing an integration of the firms.

- **Board Clerk** – Annual Report for 2015 Approved 8/17/2016
- **Other** – NCPERS October 6, 2016 communication regarding their Code of Conduct, asking members to review Schedule A, identifying any organizations that need to be taken off the list, or to propose the name of any organization that should be examined to be included on the list.

11. Next Meeting Date/Adjournment. Chairman Eppler announced the next regular quarterly meeting was scheduled for January 23rd, 2017 at 3 P.M.

There being no further business before the board, Hector Gonzalez moved to adjourn at 4:11 P.M. Dr. Gotman seconded the motion. The motion carried unanimously.

Respectfully submitted,



Paul Eppler, Chairman

Dr. Abraham Gotman, Secretary